GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

STARRED QUESTION NO:101
ANSWERED ON:20.08.2007
SUGARCANE DUES
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Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) the amount of sugarcane dues that remained pending for payment to farmers against sugar mills during the last three years and thereafter till date, sector-wise;

(b) the time since when the said dues are pending for payment;

(c) whether the farmers are giving up sugarcane farming as a result of the hardships being faced by them due to the pending dues; and

(d) if so, the steps being taken by the Government to ensure payment of the dues at the earliest to mitigate the problems of the farmers?

Answer

MINISTER OF AGRICULTURE AND MINISTER OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION (SHRI SHARAD PAWAR)

(a), (b), (c) & (d): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF THE STARRED QUESTION NO. 101 DUE FOR ANSWER ON 20.08.2007 IN THE LOK SABHA.

(a): The sector-wise and season-wise status of cane price arrears for the sugar season 2004-05 & earlier seasons, 2005-06 season and for the current sugar season 2006-07, as on 30th June, 2007 was as under:-

(in crore Rs.)

Sugar season	Public sector	Cooperative sector	Private sector	Total cane price arrears
2004-05 & earlier seasons	9.26	64.41	168.36	242.03
2005-06	NIL	1.17	1.47	2.64
2006-07	310.90	1074.78	2799.58	4185.26
Total	320.16	1140.36	2969.41	4429.93

(b): Supply of sugarcane by cane growers to sugar mills and their payment by the sugar mills is a continuous process. The cane price arrears arise when the farmers do not get their dues within 14 days of supply of sugarcane as provided in the Sugarcane (Control) Order, 1966. Since the cane price dues payable to the cane growers for a sugar season pertains to supply of sugarcane to different sugar mills at different points of time and the position is continually changing on account of payments towards fresh supplies by a very large number of farmers during the course of the season, it is not possible to pinpoint the dates from which such dues are pending to individual farmers.

(c)&(d): The Government has not received any report from any of the sugar producing States that farmers are giving up sugarcane farming. However, the Central Government has taken the following steps to mitigate the problems of sugarcane growers:

(i) A buffer stock of 20 lac tons has already been created for a period of one year from 01.05.2007 to 30.04.2008. An additional buffer stock of 30 lac tons has also been created for a period of one year from 1.8.2007 to 31.7.2008. Creation of 50 lac tons of buffer stock

would involve a subsidy amount of Rs. 945 crore (approximately) to be borne from Sugar Development Fund. The banks would also provide additional credit of Rs. 1050 crore (approximately) on creation of buffer stock. The buffer subsidy amount and the additional credit are to be exclusively used for liquidation of cane price arrears of sugarcane farmers;

(ii) Export assistance to defray part of the expenditure on internal transport, marketing and handling charges and ocean freight @ Rs. 1350/- per tonne for sugar factories located in coastal areas and Rs. 1450/- per tonne for sugar factories located in non-coastal areas (subject to actuals for export by road/rail to neighbouring countries) have been announced for a period of one year with effect from 19th April, 2007. The amount involved is Rs. 205 crore (approximately) which is to be borne from Sugar Development Fund. The export assistance is also to be used exclusively for cane price arrears payment.

(iii) Ban on export of sugar has been removed in January, 2007 and requirement of obtaining an export release order for export of sugar except for exports to EU countries and USA has been withdrawn w.e.f. 31.07.2007, for the current and next sugar season.